



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
PENDER GROWTH FUND INC.

Notice is hereby given that the Annual General and Special Meeting (the "**Meeting**") of the shareholders of Pender Growth Fund Inc. (the "**Company**") will be held on Wednesday, July 24, 2019 at Suite 2500 - 666 Burrard Street, Vancouver, British Columbia, Canada, at the hour of 10:00 a.m. (local time in Vancouver, B.C.) for the following purposes:

1. To receive the audited annual financial statements of the Company for its fiscal year ended December 31, 2018, and accompanying report of the auditor.
2. To appoint KPMG LLP, Chartered Accountants, as the Company's auditor for the ensuing fiscal year, at a remuneration to be fixed by the directors.
3. To elect the following persons as directors of the Company for the ensuing year:

David Barr	J. Kelly Edmison
Ian D. Power	Wendy Porter
4. To consider and, if thought advisable, to pass, with or without variation, a special resolution under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") altering the authorized share structure of the Company, notice of articles and articles of the Company to create a new class of preferred shares (the "**Preferred Shares**"), issuable in one or more series, delete the Class B Convertible Non-Participating shares and the Class R Senior Participating Redeemable Convertible Preference shares, none of which are issued and outstanding, and to vary the special rights and restrictions attached to the Class C Participating Common shares, as more particularly set out in the accompanying Information Circular.
5. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

Accompanying this Notice is an Information Circular and a form of Proxy for the holders of the Class C Participating Common Shares. The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

Shareholders unable to attend the Meeting in person should read the notes to the enclosed Proxy, as applicable, and complete and return the Proxy to the Company within the time required by, and to the location set out in, the notes to the Proxy.

The enclosed Proxy is solicited by management of the Company and you may amend it, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxy holder at the Meeting.

DATED at Vancouver, British Columbia, this 28th day of June, 2019.

BY ORDER OF THE BOARD

"Kelly Edmison"

Kelly Edmison
Chairman



PENDER GROWTH FUND INC.

Suite 1640 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X1

Telephone: (604) 688-1511 Facsimile: (604) 563-3199

INFORMATION CIRCULAR

(containing information as at June 17, 2019, except as otherwise indicated)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies (each a "Proxy" and collectively, "Proxies") by the management of PENDER GROWTH FUND INC. (the "Company"), for use at the Annual General and Special Meeting of the shareholders of the Company, to be held on July 24, 2019 (the "Meeting") at the time and place and for the purposes set forth in the accompanying Notices of Meeting (the "Notice"). The Company is managed by PenderFund Capital Management Ltd. (the "Manager"). While the solicitation will be made primarily by mail, Proxies may be solicited personally or by telephone by the regular employees of the Company and the Manager at nominal cost. The cost of solicitation will be borne by the Company.

No person is authorized to give any information or to make any representations other than those contained in this Information Circular and, if given or made, such information or representations should not be relied upon as having been authorized.

APPOINTMENT OF PROXYHOLDER AND REVOCATION OF PROXIES

The persons named in the enclosed forms of Proxy are nominees selected by the Company's management. A shareholder of the Company (a "Shareholder") has the right to appoint a person to represent and vote for the Shareholder at the Meeting other than the persons designated in the enclosed forms of Proxy. To exercise this right, a Shareholder must strike out the names of the persons named in each of the enclosed forms of Proxy the Shareholder returns and insert the name of the Shareholder's nominee in the blank space provided, or complete another proper instrument of Proxy. Such other person need not be a Shareholder of the Company.

The Company has enclosed a form of Proxy. Shareholders must complete the form of Proxy in respect of the shares of the Company the Shareholder intends to be voted by its proxyholder. Each Proxy must be signed by the Shareholder or by the Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. Evidence of the authority of such attorney or officer, as applicable, must accompany each Proxy.

Each completed Proxy must be deposited at least 48 hours before the time of the Meeting or any adjournment thereof at which the Proxy is to be used, excluding Saturdays, Sundays and holidays, or, at the discretion of the Chairman of the Meeting, at any time prior to the Meeting.

Proxies for Class C Participating Common Shares are to be deposited at the office of the Company's registrar, AST Trust Company (Canada), Attn: Proxy Department at Box 721, Agincourt, ON M1S 0A1.

A Shareholder may revoke a proxy on any matter on which it has not been previously exercised:

- (a) by depositing an instrument in writing executed by him or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer, with evidence of the authority of such attorney or officer, as applicable, accompanying the Proxy: (i) with the Company at any time up to and including the last business day before the day of the Meeting or any adjournment thereof at which the Proxy is to be used, or (ii) with the Chairman of the Meeting at the scheduled commencement of the Meeting or adjournment thereof at which time the Proxy is to be used, or
- (b) in any other manner permitted by law.

Revocation of Proxies may also be done electronically. Shareholders who wish to revoke Proxies electronically are urged to contact the Company to determine the availability, and instructions for the use, of this option.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold shares in their own name. Shareholders who hold their shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those shares will, in all likelihood, not be registered in the shareholder's name. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the shares on your behalf.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting. A Beneficial Shareholder who wishes to attend the Meeting and to vote their shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same in accordance with the instructions contained in the VIF.

VOTING AND EXERCISE OF DISCRETION OF PROXIES

The securities represented by a Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon the securities will be voted accordingly.

In the absence of any instructions on how the securities represented by the Proxy are to be voted, the proxyholder will have discretionary authority to vote on such unspecified matters. The persons named in the enclosed form of Proxy intend to vote in favour of the motions proposed to be made at the Meeting as stated in the Notice and in this Information Circular.

The form of Proxy enclosed confers discretionary authority with respect to amendments or variations to the matters disclosed in the Notice and in this Information Circular, or any other matters, which may properly be brought before the Meeting. At the time of the printing of this Information Circular, the Company's management is not aware of any such amendments, variations or other matters to be presented for action at the Meeting. If, however, any amendments, variations or other matters which are not now known to the Company's management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the proxyholder on such matters. If a shareholder does not wish to confer discretionary authority on the proxyholder, the shareholder should mark "against" under the item "*To approve the transaction of such other business as may properly come before the Meeting*" in the Proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized capital consists of Class C Participating Common shares (the "**Class C Shares**") which entitle the holder to one vote per Class C Share at general meetings of the Company, of which there were approximately 8,083,329 Class C Shares issued and outstanding as of the Record Date, Class B Convertible Non-Participating Common shares (the "**Class B Shares**") which entitle the holder to

five votes per Class B Share at general meetings of the Company, of which there were none issued and outstanding as of the Record Date, and Class R Senior Participating Redeemable Convertible Preference shares (the “**Class R Shares**” and collectively with the Class B Shares and the Class C Shares, the “**Shares**”) which entitle the holder to four votes per Class R Share at general meetings of the Company, of which there were none issued and outstanding as of the Record Date.

Unless otherwise permitted by law, only those Shareholders of record holding Class C Shares on June 17, 2019 (the “**Record Date**”) shall be entitled to vote at the Meeting, or any adjournment thereof, in person or by Proxy. On any poll, each Shareholder of record holding Shares on the Record Date is entitled to exercise the voting rights attached to each Share registered in his or her name on the list of Shareholders as at the Record Date, which list will be available for inspection during normal business hours at the office of the Manager and at the Meeting.

To the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares.

APPOINTMENT AND REMUNERATION OF AUDITORS

The Shareholders of the Company will be asked to pass an ordinary resolution to approve the re-appointment of KPMG LLP (“**KPMG**”), located at 777 Dunsmuir Street, Vancouver, British Columbia, as auditors for the Company, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board of Directors of the Company (the “**Board**”). KPMG was first appointed as the auditor of the Company effective December 22, 2010.

ELECTION OF DIRECTORS

The Company currently has four directors. The term of office of each of the present directors of the Company expires at the Meeting. **The persons named below will be presented for election as directors at the Meeting as management's nominees.** All of the nominees are current directors of the Company. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Shareholders of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or with the provisions of the British Columbia *Business Corporations Act* (the “**BCBCA**”).

The following table sets out the names of management's nominees for election as directors, the country and province in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by each as at the date hereof.

Name, Province or State and Country of Residence⁽¹⁾ and Positions Held with the Company	Principal Occupation or Employment During the Past Five Years⁽¹⁾	Date Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, as at Record Date
DAVID BARR⁽²⁾ British Columbia, Canada Director	President and Chief Executive Officer of the Manager since April 2016; Co-Chief Investment Officer of the Manager from April 2016 to April 2017; Chief Investment Officer of the Manager from April 2009 to April 2016; and Chief Executive Officer of the Company since November 2006.	Since June 2015	243,469 Class C Shares
KELLY EDMISON⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada Chairman and a Director	Chairman of the Manager and the Company since May 2003; and President and Chief Executive	Since May 2003	298,092 Class C Shares

Name, Province or State and Country of Residence ⁽¹⁾ and Positions Held with the Company	Principal Occupation or Employment During the Past Five Years ⁽¹⁾	Date Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, as at Record Date
	Officer of the Manager from December 2007 to April 2016.		
IAN D. POWER ⁽³⁾⁽⁴⁾ British Columbia, Canada Director	Independent consultant in corporate finance and accounting since 1993.	Since March 1994	10,000 Class C Shares
WENDY PORTER ⁽³⁾⁽⁴⁾ British Columbia, Canada Director	Consultant with Focused Management Solutions Inc. from 2004 to present.	Since May 2006	40,000 Class C Shares

Notes:

- (1) The information as to Province or State and Country of residence, principal occupation or employment and the number of voting securities beneficially owned, or controlled or directed, directly or indirectly, by the nominees is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Mr. Barr and Mr. Edmison are each directors, officers and shareholders of PenderFund Capital Management Ltd., the Manager of the Company.
- (3) Member of the audit committee of the Company (the "**Audit Committee**").
- (4) Member of the corporate governance and nominating committee of the Company (the "**Governance and Nominating Committee**").

The Board does not contemplate that any of management's nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of Proxy intend to exercise discretionary authority to vote the Shares represented by Proxy for the election of other persons as directors.

To the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular:

- (a) a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Company, no proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company entered into an agreement dated effective May 1, 2003 with PenderFund Capital Management Ltd. (the "**Manager**"), which was subsequently amended on each of October 1, 2003, June 22, 2006, July 22, 2010, May 1, 2017, March 7, 2019 and May 21, 2019 (the "**Management Agreement**").

Pursuant to the Management Agreement, the Manager provides management services relating to the Company making investments and administration of the Company's affairs. These services include structuring and negotiating prospective investments; monitoring the financial and operating performance of investee companies, and determining the timing, terms and method of disposing of the Company's investments in its investee companies; and ensuring that appropriate accounting, bookkeeping and clerical records are maintained with respect to the operations of the Company. See "Management Contracts".

Executive management services are provided to the Company through the Manager under the terms of the Management Agreement and paid for by the Manager from the fees paid to the Manager under the Management Agreement. In these circumstances, the Company considers that the compensation paid by the Manager to the individuals that act as the chief executive officer and chief financial officer of the Company are matters that are more appropriately determined by the Manager's Board of Directors (the "**Board of the Manager**"). The Board has not considered the implications of the risks associated with the Manager's compensation policies and practices. The Company does not have a policy preventing a Named Executive Officer (as defined below) or director of the Company from purchasing financial instruments designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. The Company does not grant equity securities as compensation.

Option Based Awards

The Company does not currently have a stock option plan pursuant to which stock options may be granted. Under applicable securities laws, however, the Company is permitted to grant stock options to certain persons (the "**Qualified Persons**") such as, without limitation, directors, officers, employees and consultants of the Company. The Company has in the past granted stock options to Qualified Persons pursuant to agreements with such Qualified Persons and in accordance with the requirements of the applicable regulatory authorities. The Board does not at the date of this Information Circular anticipate that it will grant stock options in the future. However, the Board has the right to revisit this decision in the future.

Summary Compensation Table

Set out below are particulars of compensation paid to the following persons (the "**Named Executive Officers**"):

- (a) the Company's chief executive officer ("**CEO**");
- (b) the Company's chief financial officer ("**CFO**");
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2018, the Company had three Named Executive Officers, David Barr, President and Chief Executive Officer, Gina Jones, Chief Financial Officer and Kelvin Kwong, its former Chief Financial Officer. The following table is a summary of compensation paid to the Named Executive Officers for the financial years ended December 31 for the years indicated:

Name and Position of Principal	Year ⁽¹⁾	Salary ⁽²⁾	Share Based Awards	Option Based Awards	Non-equity incentive plan compensation (\$)		Pension Value	All other compensation	Total Compensation
					Annual incentive plans	Long-term incentive plans			
David Barr President, Chief Executive Officer	2018	\$40,000	Nil	Nil	Nil	Nil	Nil	Nil	\$40,000
	2017	\$40,000	Nil	Nil	Nil	Nil	Nil	Nil	\$40,000
	2016	\$40,000	Nil	Nil	Nil	Nil	Nil	Nil	\$40,000
Gina Jones Chief Financial Officer ⁽⁴⁾	2018	\$48,440	Nil	Nil	Nil	Nil	Nil	Nil	\$48,440
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kelvin Kwong Chief Financial Officer ⁽³⁾	2018	\$6,000	Nil	Nil	Nil	Nil	Nil	Nil	\$30,000
	2017	\$30,000	Nil	Nil	Nil	Nil	Nil	Nil	\$30,000
	2016	\$30,000	Nil	Nil	Nil	Nil	Nil	\$15,000	\$45,000

Notes:

- (1) Financial years ended December 31 of the years indicated.
- (2) These salaries represent the compensation paid to the individual by the Manager in connection with services the Manager provided to the Company.
- (3) Kelvin Kwong ceased to be CFO on June 15, 2018
- (4) Gina Jones was appointed CFO on June 15, 2018

Incentive Plan Awards

The Company had no outstanding share options at December 31, 2018 or at any other time during the financial year ended December 31, 2018. Accordingly, no options vested or were exercised during the financial year ended December 31, 2018.

Pension Plan Benefits

The Company does not provide a pension plan for executive officers or directors.

Termination of Employment, Change in Responsibilities and Employment Contracts

There are no compensatory plans or arrangements with the Named Executive Officers resulting from the resignation, retirement or other termination of employment of the Named Executive Officers or from a change of control of the Company.

Director Compensation

Except as otherwise disclosed herein, there were no standard arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the directors were compensated by the Company or any subsidiary thereof for services in their capacity as a director (including any additional amounts payable for committee participation or special assignments), or for services as consultants or experts, during the most recently completed financial year.

The following table sets out the compensation received by the Directors of the Company during the financial year ended December 31, 2018:

Director Compensation Table

Name	Fees Earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
David Barr	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kelly Edmison	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ian D. Power	\$12,000	Nil	Nil	Nil	Nil	Nil	\$12,000
Wendy Porter	\$12,000	Nil	Nil	Nil	Nil	Nil	\$12,000

During the most recently completed financial year, the independent directors' fees for the financial year ended December 31, 2018 were \$2,500 per quarter. Each independent director also receives \$500 per meeting of which there are typically two to four per annum. These fees are paid quarterly, subject to the availability of funds. All directors are also entitled to be reimbursed for reasonable expenses incurred on behalf of the Company.

There are no arrangements for compensation with respect to the termination of directors in the event of a change or control of the Company.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

MANAGEMENT CONTRACTS

As disclosed under the heading "Compensation Discussion and Analysis" the Company and the Manager entered into the Management Agreement dated May 1, 2017, as amended March 7, 2019 and May 21, 2019.

Management Services

In accordance with the Management Agreement, the Manager provides management services in connection with all aspects of the identification, investment, development, active monitoring and ultimate divestment of all investments of the Company.

Support Services

The Manager also provides to the Company such support services as may from time to time be requested by the Board with respect to the day to day operations of the Company (including, without limitation, accounting, shareholder recordkeeping, responding to shareholder enquiries and preparing regulatory

reporting and adhering to continuous disclosure requirements) and, otherwise, to such extent as may be requested by the Board, assist the Company and/or the Board with any such activities engaged in by the Company. The Company will reimburse the Manager for all expenses (including personnel costs) which the Manager incurs in providing such support services. See "Management Fees".

Termination of the Management Agreement

The Management Agreement is in effect until April 30, 2023 and will be renewed automatically for further successive terms of four years unless the Shareholders of the Company resolves to terminate the engagement of the Manager at the expiry of any term by a special resolution at a meeting called for that purpose. The Manager may terminate the Management Agreement in certain circumstances and the Company may terminate the Management Agreement on grounds such as material breach of the agreement by the Manager without remedy within 120 days of the Manager being notified of the breach.

In the event the Management Agreement is terminated by either party, the Company will pay to the Manager:

- any management fees then due and owing to the Manager;
- all reimbursable expenses; and
- the management and performance fees payable in respect of the month in which termination occurs.

The Company has agreed to indemnify the Manager in respect of any claims resulting from any mistakes or errors of judgment or from any act or omission of the Manager in carrying out its duties under the Management Agreement. Unless, in an action against the Manager the Manager achieves complete or substantial success as a defendant, the Manager will not be indemnified for any claim where there has been negligence, misfeasance or willful misconduct of the Manager or the Manager has failed to fulfill its standard of care set to the Company set forth in the Management Agreement.

The name, municipality of residence and position of each of the directors and certain employees of the Manager are:

Name and Municipality of Residence	Position(s) with the Manager
Kelly Edmison ⁽¹⁾⁽⁴⁾ Vancouver, B.C.	Director and Chairman
Donald Campbell Winnipeg, M.B.	Director
David A. Barr ⁽²⁾⁽⁴⁾ North Vancouver, B.C.	President, Chief Executive Officer, Portfolio Manager, and Director
Felix Narhi ⁽⁴⁾ North Vancouver, B.C.	Director, Chief Investment Officer and Portfolio Manager
Gina Jones ⁽³⁾⁽⁴⁾ Vancouver, B.C.	Chief Compliance Officer and Chief Financial Officer

Notes:

(1) Mr. Edmison is also the Chairman of the Company.

(2) Mr. Barr is also the President, Chief Executive Officer, and a Director of the Company.

(3) Ms. Jones is also the Chief Financial Officer of the Company.

(4) Kelly Edmison, David Barr, Felix Narhi and Gina Jones are also shareholders of the Manager.

Management Fees

Annual Management Fees

Under the Management Agreement, the Manager is entitled to be paid an annual management fee (the "**Management Fee**") equal to 2.50% of the Net Asset Value (as defined in the Management Agreement as available under the SEDAR profile of the Company on sedar.com) of the Company up to \$15 million and 1.75% of the Net Asset Value of the Company in excess of \$15 million. This Management Fee is calculated monthly, by multiplying the Company's Net Asset Value on the last valuation date in the month in respect of which the fee is payable by the applicable percentage and dividing by twelve, and will be paid on receipt of the Manager's invoice therefore.

Performance Fee

Under the Management Agreement, the Manager is entitled to be paid a performance fee (the "**Performance Fee**"), the amount and basis of which is in accordance with practices typical within the venture capital industry. The Performance Fee is payable annually in arrears, and is equal to 20% of the amount by which the increase in the Company's Net Asset Value exceeds an annual return of 6% since the most recent date as of which the Company paid a Performance Fee. The most recent date on which the Company paid a Performance Fee was December 31, 2016.

Any Performance Fee paid to the Manager in respect of any year shall not be subsequently refunded by virtue of a reduction in the Net Asset Value.

The Performance Fee will be calculated and paid annually in arrears. In the event that the Management Agreement is terminated, the Performance Fee will continue to be payable in respect of the month in which termination occurs.

The Management Fee and Performance Fee are intended to cover all of the expenses incurred by the Manager in managing the Company, except travel expenses and expenses incurred by the Manager to obtain such specialized legal, accounting and/or other consulting and/or professional services, to attend such specialized conferences and/or trade shows, and to obtain such specialized research reports, industry and marketing studies, operational analyses, executive searches and other professional advisory studies and/or other specialized information as the Manager may from time to time be required to obtain and/or to attend in order to be able to effectively research and analyze potential investment and divestiture opportunities available to the Company and/or effectively manage the investment portfolio of the Company, which will be paid or reimbursed by the Company. The Manager is also separately reimbursed for all expenses incurred by the Manager for administering the day-to-day operations of the Company.

The calculation of any Performance Fee and the determination as to whether such a fee is payable to the Manager is a complex process. Shareholders are advised to refer to the Company's current annual information form and most recent audited financial statements for more details.

Fees Paid in 2018

During the fiscal year ended December 31, 2018, the Manager earned Management Fees of \$472,524. No Performance Fees were paid in 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, proposed nominee, or informed person of the Company or any associate or affiliate of any such person has, since the commencement of the last fiscal year of the Company, had, directly or indirectly, any material interest in any transaction which materially affected the Company or has, directly or indirectly, any material interest in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, other than as set forth under "Management Contracts", or as set forth as follows.

Kelly Edmison
Chairman, Director and Shareholder of the Company

- (a) Mr. Edmison is a director and shareholder of the Manager; and
- (b) Mr. Edmison is a shareholder of BasicGov Systems, Inc. and D-Wave Systems, Inc., companies in which the Company has made an investment.

David Barr
President, Chief Executive Officer, Director and Shareholder of the Company

- (a) Mr. Barr is a director, officer and shareholder of the Manager;
- (b) Mr. Barr is a director of One45 Software Inc., a company in which the Company has made an investment; and
- (c) Mr. Barr is a shareholder of Prontoforms Corp., a company in which the Company has made an investment.

Gina Jones
Chief Financial Officer, Chief Compliance Officer and Shareholder of the Company

- (a) Ms. Jones is an officer and shareholder of the Manager;
- (b) Ms. Jones is an officer of Pender Private Equity Fund Management Inc., a subsidiary of the Manager;
- (c) Ms. Jones is an officer of each of Working Opportunity Fund (EVCC) Ltd. and Pender Technology Inflection Fund Limited Partnership, funds managed by the Manager; and
- (d) Ms. Jones is an officer of Pender Technology Inflection (VCC) Inc., an affiliate of the Manager.

Wendy Porter
Director and Shareholder of the Company

None.

Ian Power
Director and Shareholder of the Company

None.

Lucy Nair
Corporate Secretary of the Company

None.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, other than with respect to the election of the directors and the appointment of auditors, none of:

- (a) the directors or senior officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting, except for any interest arising from the ownership of Shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of Shares in the capital of the Company.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Creation of Preferred Shares and Deletion of Class B Shares and Class R Shares

Shareholders are being asked at the Meeting to consider, and if thought, advisable, approve a special resolution (the "**Special Resolution**") altering the authorized share structure of the Company, notice of articles and articles of the Company (the "**Articles**") to create a new class of preferred shares (the "**Preferred Shares**"), issuable in one or more series, to delete the Class B Shares and the Class R Shares and to vary the special rights and restrictions attached to the Class C Shares to reflect the creation of the Preferred Shares and the deletion of the Class B Shares and Class R Shares.

Creation of Preferred Shares

The Board believes that amending the Articles to authorize the issuance of the Preferred Shares will provide the Company with increased flexibility in its capital structure and in raising future capital. The creation of the Preferred Shares would permit the Board to negotiate with potential investors regarding the rights and preferences of a series of Preferred Shares that may be issued to meet market conditions and financing opportunities as they arise, without the expense or delay in connection with a calling a shareholders' meeting to approve specific terms of any series of Preferred Shares. The Preferred Shares may be used by the Company for any appropriate corporate purpose, including, without limitation, as a means of obtaining additional capital for use in the Company's business and operations.

The Board will be empowered to fix the number of shares in each series of each class of Preferred Shares and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attaching to the shares of that series, before the issuance of shares of any particular series. The Board will have the authority to fix, amongst other things, the number of shares constituting any such series, the voting powers, designation, preferences and relative participation, optional or other special rights and qualifications, limitations or restrictions thereof, including the dividend rights and dividend rate, terms of redemption (including sinking fund provisions), redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series, without any further vote or action by the shareholders of the Company.

The issuance of Preferred Shares could affect the rights of the holders of Class C Shares. For example, such issuance could result in one or more classes and series of securities outstanding that would have preferential voting, dividend, and liquidation rights over the subordinate voting shares and multiple voting shares, and could (upon conversion or otherwise) enjoy all of the rights appurtenant to the Class C Shares. The authority possessed by the Board to issue Preferred Shares could potentially be used to discourage attempts by others to obtain control of the Company through merger, take-over bid offer, proxy contest or otherwise by making such attempts more difficult or costly to achieve. The Board may issue Preferred Shares without shareholder approval and with voting and conversion rights which could adversely affect the voting power of holders of Class C Shares. **The full text of the special rights and restrictions attached to the Preferred Shares is set out as Part 27 of the New Articles (as defined below) attached as Schedule "A" to this Information Circular.**

Pursuant to the BCBCA, no special rights or restrictions attached to a series of a particular class of Preferred Shares shall confer on that series priority over any other series of that same class of Preferred Shares in respect of: (a) dividends, or (b) a return of capital in the event of the liquidation, dissolution or winding up of the Company.

Management of the Company believes that the creation of the Preferred Shares will enhance the ability of the Company to secure financing in the future by enabling the Board to react quickly to market conditions and other factors and create and issue a series of shares that will meet the

requirements of equity investors without the time and expense involved in calling a special meeting of the shareholders of the Company.

Deletion of Class B Shares and Class R Shares

As there are no Class B Shares or Class R Shares issued and outstanding and the Company does not intend to issue any such shares, the Company intends to alter its authorized share structure by cancelling the Class R Shares and Class B Shares and deleting the special rights and restrictions attached to the Class R Shares and Class B Shares as set out in the Current Articles of the Company.

Alterations to the Articles of the Company

In connection with the deletion of the Class B Shares and Class R Shares and the creation of the Preferred Shares, the Company is proposing to alter the Articles including the special rights and restrictions attached to the Class B Shares, the Class C Shares and the Class R Shares (the "**Current Articles**") by replacing the Current Articles with new articles (the "**New Articles**") which include the special rights and restrictions attached to the Preferred Shares and alter the special rights and restrictions attached to the Class C Shares for the purposes set out below. **The form of New Articles proposed to be adopted by the Company, including the amendments set out below, are attached as Schedule "A" to this Information Circular.**

Alterations to special rights and restrictions relating to the Class C Shares

Under the Current Articles, the special rights and restrictions attached to the Class C Shares contain references to the Class R Shares. In order to effect the deletion of the Class R Shares, certain alterations must be made to the special rights and restrictions attached to the Class C Shares to delete such references. Further, the special rights and restrictions of the Class C Shares need to be altered to reflect the creation of the Preferred Shares. Such deletions are reflected by the deletion of Part 27 and Part 28 of the Articles and such alterations are reflected in Part 26 of the New Articles. The special rights and restrictions attached to the Class C Shares under the New Articles are materially the same as the Current Articles other than in respect of the deletion of references to the Class R Shares.

Alterations to create the Preferred Shares

In connection with the creation of the Preferred Shares, the Current Articles need to be varied to include the special rights and restrictions attached to the Preferred Shares. The special rights and restrictions attached to the Preferred Shares are reflected in Part 27 of the New Articles.

Amending Resolution

At the Meeting, Shareholders will be asked to approve, with or without amendment, a special resolution (the "**Amending Resolution**") under the BCBCA, to approve the alteration to the Company's authorized share structure, notice of articles and Current Articles. Approval of the Amending Resolution will require the affirmative vote by not less than 66⅔% of votes cast by Shareholders present in person or represented by proxy at the Meeting.

Management of the Company recommends the passing of the following Amending Resolution, and the persons named in the enclosed Proxies intend to vote for such Amending Resolution:

"IT IS HEREBY RESOLVED as a special resolution that:

The Company's authorized share structure, its Notice of Articles and its Articles be altered by:

- (a) creating an unlimited number of Preferred shares without par value;
- (b) creating and attaching to the Preferred shares the special rights and restrictions contained in Part 27 of the Articles of the Company as set out in the attached Schedule "A" to this Information Circular;

- (c) eliminating all of the Class B Common shares, none of which shares are allotted or issued and deleting the special rights and restrictions attached to the Class B Common shares;
- (d) eliminating all of the Class R Preference shares, none of which shares are allotted or issued and deleting the special rights and restrictions attached to the Class R Preference shares;
- (e) varying the special rights and restrictions attached to the Class C Participating Common shares; and
- (f) deleting, in their entirety, the existing Articles of the Company, including the provisions that set out the special rights and restrictions attached to all the classes and series of shares of the Company, and adopting in substitution therefor, as the Articles of the Company, including adding the special rights and restrictions of the Preferred shares and the special rights and restrictions of the Class C Participating Common shares, as varied pursuant to paragraph (e) above, the Articles set out in Schedule "A" to this Information Circular.

The alterations made to the Articles of the Company by this special resolution shall not take effect until the Notice of Articles of the Company has been altered to reflect the alterations made by this special resolution.

Subject to the deposit at the Company's records office of this special resolution, the solicitors for the Company are authorized and directed to electronically file the required notice of alteration with the Registrar of Companies.

The Company is authorized to abandon or terminate all or any part of this special resolution if the Board of the Company deems it appropriate and in the best interests of the Company to do so.

Any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings as may be required to give effect to the true intent of this special resolution."

Management of the Company believes the adoption of the Amending Resolution is in the best interests of the Company.

OTHER MATTERS TO BE ACTED UPON

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

AUDIT COMMITTEE

As required by National Instrument 52-110 – Audit Committees, information about the Company's Audit Committee is provided in the Company's most recent Annual Information Form ("AIF") under "Audit Committee Information". The AIF may be obtained under the Company's profile on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "Guidelines") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and senior management of the Company consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

Board of Directors

Management is nominating four individuals for election to the Company's Board at the Meeting, all of whom are current directors of the Company.

The definition of "independent" directors under NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship, which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgement. Of current members of the Board, Ian Power and Wendy Porter are considered to be independent within the meaning of NI 52-110. David Barr, who is President and CEO of the Company and President and CEO of the Manager, and Kelly Edmison, who is a shareholder and chairman of the board of directors of the Manager, are not considered to be independent within the meaning of NI 52-110.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the Manager. The Board will give direction and guidance through the President to the Manager and will keep the Manager informed of its evaluation of the Manager in achieving and complying with goals and policies established by the Board.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees. The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and Governance and Nominating Committee and the chairperson of each committee.

The Board establishes and periodically reviews and updates the mandates, charters, duties and responsibilities of each committee of the Board, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board will also review and approve, at least annually, a strategic plan, which takes into account, among other things, the opportunities and risks of the Company's business and affairs.

Directorships

The following directors of the Company are also directors of other listed issuers as stated below:

- Ian Power is a director of Vigil Health Solutions Inc. (TSXV: VGL).

Orientation and Continuing Education

The Company does not have a formal orientation and education program for new directors. New directors will be given the opportunity to familiarize themselves with the Company's operations and the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education. Each of Kelly Edmison and Wendy Porter hold the ICD.D designation granted by the Institute of Corporate Directors.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of its overall stewardship responsibility. As of March 7, 2019, the Board has adopted a Code of Business Conduct and Ethics (the “**Code**”) to be followed by the Company's directors, officers and employees. The Code is also to be followed, where appropriate, by the Company's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflict of interest, promote full, fair, accurate and timely disclosure and comply with the applicable government laws and securities rules and regulations.

In accordance with applicable corporate law, any director who is in a position of conflict must refrain from voting on any resolution of the Board with respect to the conflict. The Board may also require the director to excuse himself or herself from deliberations of the Board or may alternatively refer the matter for consideration by a committee of independent directors of the Board.

In addition to the above, the Code provides guidance on trading in securities of the Company to promote a culture of ethical conduct.

Nomination of Directors

Effective as of March 7, 2019, the Governance and Nominating Committee consists of three directors: Wendy Porter (Chairperson), Ian Power and Kelly Edmison. Wendy Porter and Ian Power are each independent directors of the Company.

The Governance and Nominating Committee is responsible for developing and monitoring the Company's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies individuals qualified to become new Board members and recommends to the Board the director nominees at each annual meeting of shareholders.

In identifying possible nominees to the Board, the Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Governance and Nominating Committee makes recommendations to the Board with respect to the size and composition of the Board and the appropriateness of the committees of the Board and also annually reviews and makes recommendations with respect to the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions. The Governance and Nominating Committee meets as many times as is necessary to carry out its responsibilities.

Compensation

The Company does not have a compensation committee as the Board would be responsible for determining all forms of compensation to be granted to the senior officers and directors of the Company, however no such compensation is currently paid by the Company. The independent Board members review and negotiate the Management Agreement with the Manager and the Company's senior officers and directors are compensated as employees of the Manager. In the event that the Company begins compensating its senior officers directly, it will be the responsibility of the Board to determine the appropriate compensation and to ensure that it is competitive and reflects the responsibilities and risks associated with each position. In these circumstances, the Board would consider the following factors in determining the compensation of its senior officers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

Other Board Committees

The Board has no committees, other than the Audit Committee and the Corporate Governance and Nomination Committee. Effective March 6, 2019, the Board adopted new mandates for each of the Audit Committee and the Corporate Governance and Nominating Committee to reflect the transition of the Company from the Canadian securities regulatory regime for investment funds to the regulatory regime for reporting issuers that are not investment funds.

Assessments

In accordance with its Charter, the Corporate Governance and Nominating Committee is tasked with completing an annual performance evaluation of the Board. This report will compare the performance of the Board with the requirements of the Board's mandate. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements for the year ended December 31, 2018, a copy of which, together with management's discussion and analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company at 604-681-1511 or by email at email: info@pendergrowthfund.com.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board of Directors of the Company.

DATED at Vancouver, British Columbia, this 28th day of June, 2019.

By Order of the Board of Directors of

PENDER GROWTH FUND INC.

"Kelly Edmison"

KELLY EDMISON

Chairman

SCHEDULE "A"
NEW ARTICLES OF THE COMPANY

Incorporation Number BC0468158

PENDER GROWTH FUND INC.
(the "**Company**")

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PENDER GROWTH FUND INC.

(the "Company")

ARTICLES

The Company has as its articles the following articles:

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;
- (b) "Business Day" means any day of the week other than a Saturday, Sunday or a day that is a statutory holiday in British Columbia;
- (c) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) "Class C Shareholder" means a person who is recorded on the central securities register of the Company as a holder of a Class C Shares;
- (e) "Class C Shares" has the meaning set out in Section 26.1;
- (f) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (g) "legal personal representative" means the personal or other legal representative of the shareholder;
- (h) "Preferred Shareholder" means a person who is recorded on the central securities register of the Company as a holder of Preferred Shares;
- (i) "Preferred Shares" has the meaning set out in Section 27.1;
- (j) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;
- (k) "seal" means the seal of the Company, if any;
- (l) "Shareholder" means a person who is recorded on the central securities register of the Company as a holder of a Share; and

- (m) "Shares" means the Class C Shares and Preferred Shares in the authorized capital of the Company, and "Share" means any one of the Shares that are from time to time issued and outstanding.

1.2 *Business Corporations Act and Interpretation Act Definitions Applicable*

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to:

- (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name; or
- (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate;

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (a) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount if any, determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

2.10 Non-Certificated Shares

Where there are references to share certificates in the rights and restrictions of any of the Shares and the Company has implemented procedures for the issue, delivery, transfer, surrender or cancellation of any Shares which are evidenced by non-transferable written acknowledgments instead of share certificates, the procedures so implemented shall supersede the procedures contemplated in respect of share certificates under such rights and restrictions. Accordingly, references to letters of transmittal or instruments of transfer or to delivery of certificates to an address shall be interpreted to be references to the accepted form of communication used to validate shareholder instructions regarding a redemption or conversion or delivery of evidence of ownership or surrender thereof under such procedures, including an electronic form of communication.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property; and
 - (iii) money; and

- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporation Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporation Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company;
- (c) no restrictions on transfer of the shares under the rights and restrictions applicable to the shares to be transferred apply; and
- (d) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his, her or its duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as

having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by a resolution of the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or

give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may by special resolution authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (a) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alteration to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (b) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, by ordinary resolution alter these Articles.

10. MEETINGS OF THE SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days
- (b) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. Pacific Standard Time on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. Pacific Standard Time on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (viii) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution under the *Business Corporations Act* at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If the Company has only one shareholder:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.8, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
 - (i) be received at the registered office of the Company or at any other place specified in the notice calling the meeting for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting; and
- (b) if a representative is appointed under this Article 12.5:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is:

- (a) a public company; or

- (b) a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

(NAME OF COMPANY) (the "Company")
The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting. Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder): _____ Signed [month, day, year] _____ [Signature of shareholder] _____ [Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs 13.1(b) and 13.1(c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recent set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recent set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he, she or it may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he, she or it may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he, she or it may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph 14.1(b), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (i) the date on which his or her successor is elected or appointed; and
- (ii) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "**appointor**") may by notice in writing received by the Company appoint any person (an "**appointee**") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Setting the Remuneration of the Directors

The directors may from time to time determine the remuneration to be paid by the Company to the auditor, on such manner and upon such terms and conditions as the directors, in their absolute discretion, may determine.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the

Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
- (d) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
- (e) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
- (f) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article

18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by resolution of the directors and, if not so set, is deemed to be a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph 19.2(a) any of the directors' powers, except:

- (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph 19.2(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and

- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (a) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) "**eligible proceeding**" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or

alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

- (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding; and
- (c) "**expenses**" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; or

- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. Pacific Standard Time on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class; and
- (e) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph 24.5(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. SPECIAL RIGHTS AND RESTRICTIONS — CLASS C PARTICIPATING COMMON SHARES

26.1 Class C Participating Common Shares

The Class C Participating Common shares (the "Class C Shares") shall confer on the holders of those shares and shall be subject to the following special rights and restrictions:

26.2 Voting

The holders of Class C Shares shall be entitled to receive notice of and to attend any general meeting of the shareholders of the Company and, if in attendance by person or by proxy, shall be entitled to one vote in respect of each Class C Share.

26.3 Participation in Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of all or substantially all of the assets of the Company after the holders of the Preferred Shares or any series of Preferred Shares receive the amounts to which they are entitled, the holders of the Class C Shares will be entitled to receive for each Class C Share held, the amount paid-up thereon together with any declared but unpaid dividends to which the holder is entitled.

26.4 Participation in Dividends

Subject any special rights and restrictions attached the Preferred Shares or any series of Preferred Share, the holders of the Class C Shares shall, in the absolute discretion of the directors, be entitled to receive and the Company will pay out of monies of the Company properly applicable to the payment of dividends, only such dividends as may be declared from time to time in respect of the Common shares, then issued and outstanding.

27. SPECIAL RIGHTS AND RESTRICTIONS – PREFERRED SHARES ISSUABLE IN SERIES

27.1 Preferred Shares

The Preferred shares (the "Preferred Shares") shall confer on the holders of those shares and shall be subject to the following special rights and restrictions:

- (a) Issuable in Series – The Preferred Shares may at any time and from time to time be issued in one or more series, and the directors of the Company shall, by resolution of the directors before the issue of any shares of each series:
 - (i) determine the maximum number or determine that there is no maximum number of shares that the Company is authorized to issue for such series of shares created;
 - (ii) attach special rights or restrictions to the shares of the series; and
 - (iii) create an identifying name for the shares of the series,as well as make any necessary alterations to the Company's notice of articles or these Articles or both to effect the change.
- (b) Equality of Series – The special rights and restrictions to be attached to any series of Preferred Shares created shall not confer on a series priority over any other series of the same class of Preferred Shares respecting:
 - (i) dividends; or
 - (ii) a return of capital on either the dissolution of the Company or the occurrence of any other event that entitles the holders of all series of Preferred Shares to a return of capital.
- (c) Alterations to Series – The directors of the Company may, for any series of Preferred Shares of which there are no issued shares, by resolution:
 - (i) alter any determination of the number of shares of which the series shall consist;
 - (ii) alter any special rights or restrictions attached to the shares of the series; or
 - (iii) alter the identifying name of the series,

and make any necessary alterations to the Company's notice of articles or these Articles or both to effect the change.

- (d) Non-Voting – Except as otherwise provided with respect to any particular series of Preferred Shares, the holders of the Preferred Shares or any series of Preferred Shares, shall not, as such, have any voting rights for the election of directors or for any other purpose and shall not be entitled to receive notice of, or to attend any meetings of, the shareholders of the Company except at meetings at which holders of the Preferred Shares or any series of Preferred Shares are, by virtue of an express provision of the *Business Corporations Act*, entitled to vote.
- (e) Liquidation, Dissolution or winding up – Except as otherwise provided with respect to any particular series of Preferred Shares, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs (whether voluntary or involuntary) or on the occurrence of any other event that entitles the holders of all classes of shares to a return of capital (any of which events are referred to as a “**Capital Distribution**”), the holders of the Preferred Shares or any series of Preferred Shares, shall be entitled to receive, in respect of each Preferred Share or series of Preferred Share held, the amount paid up thereon together with all declared but unpaid dividends, if any, before any amount shall be paid or any property or assets of the Company distributed to the holders of the Class C Shares. Upon payment of the amount so payable to them, the holders of the Preferred Shares or any series of Preferred Shares, shall not be entitled to share in any further distribution of the property or assets of the Company.
- (f) Rateable Participation by Series on Return of Capital – In the event that there are insufficient funds to pay in full the amounts payable to all holders of any series of Preferred Shares on a Capital Distribution, the holders of all series of Preferred Shares shall participate rateably in the Capital Distribution in accordance with the amounts that they would have received had the amounts to which they were entitled on a Capital Distribution had been paid in full.
- (g) Rateable Participation by Series on Cumulative Dividends – Where cumulative dividends, if any, with respect to a series of Preferred Shares are not paid in full, the holders of all series of Preferred Shares entitled to cumulative dividends shall, in a payment of accumulated dividends, participate rateably in accordance with the amounts that would have been payable on those series of Preferred Shares if all the accumulated dividends had been paid in full.

Dated the ____ day of _____, 2019.

J. Kelly Edmison, Director